



**STATE OF HAWAII
DEPARTMENT OF HEALTH**

P. O. Box 3378
Honolulu, HI 96801-3378
doh.testimony@doh.hawaii.gov

**Testimony COMMENTING on H.B. 645
Relating to the Military**

REPRESENTATIVE CHRIS LEE, CHAIR
HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

Hearing Date: **February 17, 2015**
Time: **8:30 am**

Room Number: 325

Fiscal Implications: Allocates funds from the Department of Health's Environmental Response Revolving Fund (ERRF) to address concerns relating to Red Hill fuel storage tank repair.

Department Testimony: H.B. 645 proposes to allocate money from the ERRF to address concerns relating to the repair of leaking underground storage tanks at the Red Hill Fuel Storage Facility. The Department is concerned that because the ERRF is currently drastically underfunded, it will not be able to support these specific activities. In accordance with the Hawaii Revised Statutes Chapter 342L and Hawaii Administrative Rules section 11-281, owners and operators are responsible for tank repairs. In this situation, the U.S. Navy and the Defense Logistics Agency are the owner and operator of the Red Hill underground storage tanks, and thus are responsible for repairs.

This measure highlights the importance of having sufficient funding in the ERRF so that the Department can effectively support programs that protect the environment. When the ERRF is underfunded, as is the case currently, it cannot serve as a reliable financial resource for responding to oil or chemical spills or other environmental emergencies. Right now, the ERRF receives about \$1.2 million annually from the Barrel Tax (5 cents for every barrel of oil imported into the State). However, because of the State's decreasing consumption of oil, ERRF revenues have steadily declined by ~5% per year and will likely continue to do so into the future. The \$1.2 million the Department currently receives from the Barrel Tax is insufficient to sustain the 41 positions (31 filled positions) that depend on the ERRF for funding (see graph below), let alone to provide funding for responding to unforeseen environmental emergencies.

In order to remedy the current ERRF financial situation, the Department has separately requested a 15 cent allocation for the ERRF (H.B. 941/S.B. 1110), and a one-time Emergency Appropriation of \$1,050,000 in the Governor's Package (H.B. 949/S.B. 1118), which would help it to meet its financial obligations and cover payroll through the end of FY 2015. The

1 Department has also requested a \$1 million loan from the State Treasury, which the Department
2 of Budget and Finance and the Governor's Office are currently considering.

3 Thank you for the opportunity to testify on this measure.